App F IX-4

Previous References 1954-55 (CM) P17E

Later References

File No 31-54-

Serial Nos 4.1 4.7 47 49

MYSORE GOVERNMENT SECRETARIAT

Serial Nos Four

Part B for December 1954

SUBJECT

Exempting from Payment of Entertainments Tax on the Indoor Games Played at the Anglo Indian Club No 3, Saunders Road, Bangalore

WD 06701—GPB—25 000—11 8 54

To,

The Deputy Commissioner
Bangalore District
L 11450/Dated 13 12 54
Clarifies

Yr Rameshwaraswamy
17/12/54

(1)

Mysore Government Secretariat | 4684 Fnl File No. of 1954-55 | [App F III 2

Serial No

To
The D C Bangalore
Lr No Ent 2 PR 20/54-55 dt 22-9-54
Regrets Clarification as to Whether
Entertainment Tax has to be levied
on In door games to which the public
is not admitted but attended to by
only members

Submitted

1 All the Registered Licensees
assessees were exempted from Payment of
entertainment Tax as per G O No L 1343-53/
ml 275-52-30 dated 17-8-1933 This exemption was
rescinded in G O No L 3302/ml 106-53-9 dt 6/53
Accordingly the Anglo-Indian Club, St John
Hill Bangalore which Conducts Indoor-games
has required by the D C Bangalore to Pay
entertainment Tax from the date of
rescinding exemption viewpoint of
Sports entertainments held by the Club in
this Connection the DC Bangalore
has sought a clarification as to
Whether Tax has to be ~~Paid~~ levied
on Indoor-games to which the public
is not admitted but only members
are admitted

Note—Contn Sh et

Classification-Betting Indoor-games liable to Entertainment Tax — Anglo-Indian-Club —

(2) File No 4684/Rel of 1956-57

Mysore Government Secretariat

2) As per Section 2 (9) of the Amusement Tax Act, 1932 Society includes a Company, Institution, Club or Other Association Entertainment includes game or sport to which persons are admitted for payment (Section 2 (4)) the Present Club satisfies the two conditions As regards admission, it is defined in Section 2 (1) which includes admission as a Spectator or as one of an audience the Club is stated to is not admitting the public by sale of Tickets Only entrance fee is collected from the members and guests participating in the games and the realisation (deducting the expenses) is utilized for sports In the circumstances the Club is not liable to pay entertainment Tax - for orders on Consultation with the Law Department

Sd 11/10/54 for 13/10

3) Indoor games Cannot be made liable for payment of entertainment tax

Secy Dept) Sd 15/10

4) DH clear letter Sd 18/10 Draw

WD 04'61—GPB—60 000—22-1 54

Clarification - Whether Indoor games liable to Entertainment Tax - Anglo-Indian Club

Mysore Government Secretariat | File No. 4684/nil of 195 | App F III 2 (3)

Serial No	
	5) Draft letter is for approval 19/10 Sec 22/10 6) pl put up a typed draft 22/10
7	Typed draft is put up for appl 28/10 8) 23/10 Secy Dept 9) 26/10 10) Issued

SECRETARIAT 26 1954 PARLIAMENT

29/10/54

To
The D C Bangalore
L 9280/CR 31 54-55 dt 29-10-54
Clarifies interim head
Indoor games played by St John Club
is not subject to Payment of Entertainment Tax

To
The D C Bangalore
Letter No Ent 2 PR 20/54 55 dt 13-11-54
Seeks some clarification

Contd

Note—Contn Sh ot

Classification-Indoor-games liable to Entertainment Tax-
Anglo Indian Club

(4) File No 4684/ml 5936/ml 195

Mysore Government Secretariat

	Serial No	
(11) It is seeks the Indian Classification Regarding as follows —		PWD II Pap 9 & Corp
Points on which Classifications are sought	Points clarified	
Whether "St John's Club" is a mistake for "Anglo Indian Club"	It is a mistake It is Anglo Indian Club St John's 4-1 Block	Flag X Par 8 & Corp
Whether the Ruling given would apply to all other Clubs	The Ruling does apply to all other Clubs Provided the Conditions are Satisfied	
From what date the Ruling would apply	No new Ruling has been given the points raised by the A C were Clarified with reference to the Entertainment Act Provisions No date can be specified for its application hereafter As no new Principle is laid down the Ruling referred to above will have effect from the date of the Act itself	Use the Correct expression //

-For orders

(12) A reply with the

WD C[illegible] GPB—60,000—22-1 54

22/11 24/11

Clarification - Indoor games - Entry 25 & 1 IAK 5)

[App F III-2

General and Revenue Secretariat | 5936/Estt | File No | of 19

WD 06071—GPB—25 000—20-6-49

Serial No	
	on the lines suggested against each point in Para 11
	Secy (Sig) 7/12
	13) Send a reply quickly
	GS 10/12
	14) 9 days
	15) A draft letter in put up for approval.
	Submit — Refer paras 11-14 supra
	10/12 10/12
	To
	The A C B'lore
	L 11450/c dt 31-54-GS dt 13-12-54
	Clarified
	16) Done 12/12

B 15/12/54

NOTE—Contn Sheet

Clearstaken - Redcoorgan ... E 1 1

File No 5936/m1 of 19

General and Revenue Secretariat

Serial No

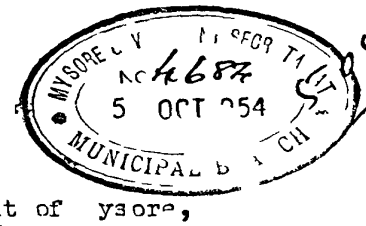
(1)

Cnt 2 Pl 50/54-55
Encl 4

OFFICE OF THE DEPUTY COMMISSIONER
Bangalore District,
Dat , Bangalore, 22nd Septr 1954

From

The Deputy Commissioner,
Bangalore District,
Bangalore

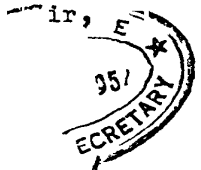


To

The Secretary to Government of Mysore,
Finance Department,
Bangalore

em 31-54-46

Sir,



Subject - Entertainment tax on whist drive etc - petition from the Secretary, Anglo-Indian Club, St John's Hill, Bangalore

-

I write to state that the accounts of the above club for 1953-54 were taken up for audit by this office during March 1954 It was found that the club had not paid taxes on several entertainments like whist drive, dances, etc Accordingly, the club authorities were addressed to pay the taxes amounting to Rs 611-1-8 as per the report enclosed

The Hon Secretary of the club in his letter dated 2-4-1954 (copy enclosed) has raised the undermentioned issues

1 That in Northern India, social and in-door and out-door tournaments run by bona fide clubs for members and guests are not taxable as they form the normal activities of the club,

2 That such games do not come under the category of entertainment to which public have access either as "spectators" or "audience" by purchase of an admission ticket,

3 That the members and guests participating are actual contestants and are not providing entertainment for others

No admission tickets are sold on such occasions Only the entrance fee is pooled and after deducting the running costs, the balance is paid in prizes Section 2(1) of the Mysore Amusements Tax Act 1932 gives the definition of "admission" but there is no specific indication of what all the definition is intended to mean and whether the fee collected in respect of such games is taxable while we may not be bound by the practices adopted in

p t o

[illegible] Indian, there is no force in the [illegible] that a [illegible] under the [illegible] creation [illegible] admission to hire-[illegible] and other places cannot strictly be brought under the definition of [illegible] in the Act as an institution, with the consequent [illegible] that the provisions are confined only to club [illegible], it [illegible] not to connect [illegible] with the [illegible] by the collection [illegible] with club in respect of such [illegible].

I am [illegible] that this point may kindly be [illegible] by the Department and if it is given the benefit to a land [illegible] such in a place to which the public is not admitted, but [illegible] attended by only [illegible] there.

[illegible] notice however is being issued to the club to pay up the arrears of entertainment duty [illegible] the [illegible] by them.

Yours faithfully,

(S. KALAIMANIPALAM),
[illegible] City Police,
Inspector [illegible],
[illegible] (C.C., Cost of Liquor Cases),

2975

Copy of letter dated 2-4-54 from the Hon Secretary, Anglo-Indian Club, No 3, Launders Road, Bangalore, to the Deputy Commissioner, Bangalore, re amusements tax

---

The Auditor from your office visited Subrahmanyam called to inspect the accounts of this club on the 30th March in respect of entertainment held by us on and after the 16th June 1953

After going through the account very carefully, we were informed that arrears of amusement tax amounting to Rs 311-1-8 was due and had to be paid into the Reserve Bank at an early date

It was immediately brought to his notice that amusement tax in respect of entertainment run by the club after the 31st March '53 is not recovered from the people attending because of exemption under G O No 1343-53/FM 275-22-30 dated 17-3-1953 Vide your office No J7-1400/52-53 dated 21-3-53

To our surprise we were casually informed that the G O under which the concession was granted was rescinded in June'53 by G O No L 2302-FI 06-53-D dated 16-6-53

Up-to-date no official intimation from your office of the revised G O has been communicated to us and as the auditor not put us wise to the position we would still unwittingly have carried on as before secure in the thought that the exemption was still valid

I would however like to reassure you that at no time was there the least intention on our part to evade payment of the tax but were just ignorant of the fact that the exemption order was rescinded Our concessions were always widely advertised in the press and by posters display and hand bills circulated But at no time did the amusement tax authorities question us as to why no amusement tax was being charged and paid to Government

Since the non-recovery of such taxes on entertainments run by us after 16-6-53 was solely due to the failure on your office to communicate the revised order to us it is only fair to expect that the claim be waived and the amount involved written off as irrecoverable at this stage

In this connection I would also like to know if the claims made by the auditor for the imposition of Amusement Tax on Socials, Whist, Bridge, Carrom, Tennis and Badminton Drives is in order and sustainable

In northern India from where I have come Socials an Indoor and out-door tournaments run by bona fide clubs for members and guests are not taxable, it being the considered opinion of the authorities concerned that these functions and tournaments are part and parcel of a club's normal activities and did not come under the category of entertainments to which the public have access either as "Spectators" or an "Audience" by the mere purchase of an admission ticket In the case of Whist, Bridge, Carrom Tennis and Badminton drives it is further contended that the members and guests participating are the actual contestants and are not providing entertainment for others No admission tickets are sold on such occasions In the case of tournament drives both indoor and out-door the stipulated entrance fee is pooled and after deducting the running costs the balance is paid out in prizes

In every tournament run in this country both indoor and outdoor the players taking part are never called upon to pay any taxes But if admission is open to the general public all spectators who attend are made to pay the tax according to the cost of the ticket purchased

I am sure you will agree with me that it was never been the intention ofGovernment to place a strangle hold on any club or society, moreso if these institution are registered and run under the Societies Registration Regulations On the contrary, it is the duty of administrative officers to encourage and assist them and to afford them the necessary protection if rules and orders are misinterpreted or misapplied

4

[illegible]

[illegible]

[illegible]; 28

20 9 521

(5)

AUDIT OF ACCOUNTS OF THE A G O INDIAN CLUB

Date of audit - 25th Jan 30th March 195

Period for which accounts are audited - one year from 1- -953 to 30-3-1954

Auditor - Sri A Subrian

Secretary of the club - D I D'Lems
Treasurer - r L G e-Conceicao

Books maintained - (1) Cash Book,
(ii) Whist Drive accounts Book,
(iii) Dance accounts Book,
(iv) Statement book of Tournaments

The club has paid licence fee of Rs 0 - for house during the current year Entertainments Tax paid by the club during the year amounts to Rs 40-10-0 (separate statement attached - statement 1) The payment of Entertainment Tax is at 12½% on gross collection as per the condition of the licence granted to this club A detailed statement of Entertainment Tax paid by the club is attached

The club is exempted from payment of Entertainment Tax on whist drive and dance in memo No J7-1439/52-53 dated 24-2-1953 under G O 13 3-53/IL 275-32-30 dated 17-3-1933 The date G O No L 3202/IL 106-53-9 dated 16-6-1953 rescinds the old Government Order Therefore, the Secretary has been requested to affix entertainment tax stamps on the tickets of whist drive and dance and to pay entertainment tax on the tickets sold from 16-6-1953 The amount of tax recoverable comes to Rs 311-1-8 both on whist drive and dance from the date of G O and 16-6-1953 A detailed statement is attached and the audit objections have been pointed out to the Secretary in a note The original objection note is also attached

The books of accounts are satisfactorily maintained by the club

(Sd) A Subrian,
30-3-53

Copy

(S T L BHAIRAVA),
For District Magistrate,
Bangalore District
28/9

sr 2

(6)

[illegible] ANGLO-INDIAN CLUB [illegible]
Gazette Period 1-4-53 to 30-3-54

Months	Licence No	Licence fee paid	Entertainment Duty paid	Remarks
April '53	32	70- 0- 0	63-10- 0	
May '53	37	70- 0- 0	55-14- 0	
June '53	45	30- 0- 0	21-10- 0	
July '53	52	30- 0- 0	25- 4- 0	
August '53	57	70- 0- 0	27- 4- 0	
Sept '53	61	40- 0- 0	47- 5- 0	
Oct '53	68	40- 0- 0	26- 8- 0	
Nov '53	74	30- 0- 0	23- 2- 0	
Dec '53	81	30- 0- 0	24- 4- 0	
Feb '54	93	0- 0- 0	45-14- 0	
March '54	97	40- 0- 0	47-15- 0	
	Total	440- 0- 0	403-10- 0	

STATEMENT

Statement of tickets collection Tax recoverable from Anglo-Indian Club from 16-3-1953

Dances

Denomination incl Tax	Aug 53	Sep 53	Oct 53	Dec 53	Jan 54	March 54	Total	Amount recoverable
2-0-0				150			150	56-14-0
1-8-0				224	68		292	73- 0-0
1-4-0			51		54		105	19-11-0
1-0-0	4	149	33	111	17	11	325	60-15-
0-12-0	5	89	24	38		9	173	22- 4-0
0-8-0	88	9				14	111	2- 5-0
0-4-0	106	52					158	3- 4-3
							Total	237-11-8

Lost Drive

Denomination incl Tax	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	Total	Amount recoverable
	1953							1954				
1-0-0	91	40	98			70	70	131	215	191	833	156-12-0
0-12-0			193	234	203	196	220	203	139	132	1550	193-12-0
0-10-0	32	87	28								183	22-14-0
										Total	—	373- 6-0

(G. V. KALATHAMANA),
For District Magistrate,
Bangalore District
28/9

28 9 54

(8)

DRAFT

To L9280/e m 31-54-47
29/x/52
The Deputy Commissioner,
Bangalore District

Sir,

Subject - Clarification as to whether indoor games are subject to Entertainment Tax

- ---

Ref Your letter No Ent 2 P R 20/54-55 dated 22-9-1954

***

As defined in the Mysore Amusements Tax Act, society includes club and game includes indoor games, and therefore indoor games are liable to Entertainment Tax But admission as defined in the Act means admission as a spectator or as one of an audience In the case of Anglo-Indian Club Bangalore, the public are not admitted on payment, but the payment charged as entrance fee is only on members and guests participating in the games ~~and it is only on members and guests participating in the games~~ and it is not open to the general public for witnessing the game There is no collection also from the general public

In view of the above, the St John Club, Bangalore, is not subject to pay Entertainment Tax on indoor games for which admission is by entrance fee.

Yours faithfully,

Secretary to Government,
L S G & Planning Deptts

LNS 23/10

And is restricted only to members and guests

46-4-
mc
B/11

5936
20 NOV 1954
MUNICIPAL BRANCH

No Ent2 P R 20/54-55

Office of the Deputy Commissioner,
Bangalore District,
Bangalore, Dated 13th November 1954

From

The Deputy commissioner,
Bangalore District,
Bangalore

Sn WS
19/11

To ✓ C M 31-54-67

The Assistant Secretary
to the Government of Mysore,
L G , & Planning Departments,
BANGALORE

Sir,

Subject -Exempting from payment of Entertainments Tax on the Indoor Games played at the Anglo Indian Club No 3, Saunders Road Bangalore

Reference ending with your letter No L 9280/CM-31-54-47 dated 29-10-54

****

Please refer to para 2 of your letter supra

It may please be clarified whether "St John's Club" is a mistake for " Anglo Indian Club" and whether this ruling would apply to all others Clubs also, and if so, from what date

Yours faithfully,

(S.H. KALABHAIRAVAN)
FOR DEPUTY COMMISSIONER
BANGALORE DISTRICT

15/11

3 copies

(10)

To

The Deputy Commissioner,

L 11450
13-12-54 Bangalore Dt 82

Sir,

/c on 31 54-68

Subject Exempting from payment of Entertainment Tax on the Indoor Games played at the Anglo Indian club No 3, Saunders Road, Bangalore

With reference to your letter No Ent 2 PR 20/54-55 dated 13/11/54 seeking clarification of para 2 of this office letter No L 9280/C M 31-54-47 dated 29/10/54 in the matter of the payment of entertainment tax on Indoor games, I am directed to state as follows:—

Points on which clarifications are sought for	Reply
Whether "St John's club" is a mistake for "Anglo-Indian club"	It is a mistake It is Anglo-Indian Club, St John's Hill Bangalore

PTO

Whether the ruling given would apply to all other clubs

The Ruling does apply to all other clubs provided the conditions are satisfied

From what date the Ruling would apply

No new ruling has been given the points raised by ~~the~~ D C ~~Deputy Comm~~ ~~Dy~~ were clarified with reference to the Amusements Tax Act, 1932 No date can be specified for its application

As no new principle is laid down the Ruling referred to above will have effect from the date of the Act itself

Yours faithfully

Asst Secy to Govt
in L. S G Department

(12)

L 11450/CM 31-54-68 Mysore Government
xxxxxxxxxxxxxxx
(Municipal Branch)
13-12-54

The Assistant
L S G & Planning Departments

To

The Deputy Commissioner,
Bangalore District

Sir,

Subject Exempting from payment of Entertainment Tax on the Indoor Games played at the ~~xxxx~~ Anglo Indian Club, No 3 Saunders Road, Bangalore

- - -

With reference to your letter No Ent 2 P R 20/54-55 dated 13-11-1954 seeking clarification of para 2 of this office letter No L 9280/CM 31-54-47 dated 29-10-1954 in the matter of the payment of entertainment tax on indoor games, I am directed to state as follows -

Points on which clarification are sought for	Reply
Whether "St John's Club" is a mistake for Anglo Indian Club"	It is a mistake It is "Anglo Indian Club, St John's Hill, Bangalore
Whether the ruling given would apply to all other clubs	The ruling does apply to all other clubs provided the conditions are satisfied
From what date the ruling would apply?	No new ruling has been given The points raised by the Deputy Commissioner were clarified with reference to the Amusements Tax Act, 1932 No date can be specified for its appliation As no new principle is laid down the ruling referred to above will have effect from the date of the Act itself

Yours faithfully,

(V Hanumanthappa) 13/12
Asst Secretary to Government,
L S G & Planning Departments

knr-3/13 12

O/C)